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C O N F I D E N T I A L SECTION 01 OF 02 RIYADH 001684

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TAGS: PREL PGOV SA SY IR LE
SUBJECT: SAUDIS SAY SYRIA "ISOLATED FOR TOO LONG"

REF: A. ABU DHABI 1169
¶B. DAMASCUS 723
¶C. RIYADH 841 (NODIS)
¶D. DAMASCUS 697
¶E. RIYADH 1303
¶F. BEIRUT 1267

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Classified By: Ambassador James B. Smith for reasons 1.4 (B) and (D)

SUMMARY

¶11. (C) During a courtesy call with Ambassador Smith on December 22, MFA Deputy Minister for Multilateral Relations Dr. Prince Torki bin Mohamed bin Saud Al-Kabeer stressed that reaching out to Syria was critical to achieving Middle East peace and said that "Syria had been isolated for too long." He expressed concern about the challenges facing President Obama, and was encouraged to hear that the U.S. resolve to reach a lasting peace in the Middle East remained strong. Torki's animated discussion of the Saudi shift in policy towards Syria --and his earnest advocacy of this new approach-- indicate that reaching out to Syria has become a critical part of the Saudis' overall strategy of "squeezing Iran." That this unsolicited pitch coincided with a similar one from the UAE (ref A) may indicate GCC agreement on rapprochement with Syria. END SUMMARY.

"A GOOD MAN AT THE RIGHT TIME"

¶12. (C) Torki said that while respect for President Obama remained high in the Arab world, some had begun to lament that a "good man" had appeared at the wrong time. "I disagree," Torki said, adding that principled leadership was even more essential when the U.S.--and the world-- were faced with such intractable problems. However, the U.S., Saudi Arabia, and others, would have to cooperate to ensure his success.

¶13. (C) Torki cited Middle East peace (MEP), in particular, as a pressing Saudi concern. While Torki thought SE Senator Mitchell was the right man for the job, he wondered aloud whether the effort was losing steam. Ambassador reassured Torki that the U.S. commitment was strong and unwavering. We had learned from the past, and our new, consultative approach --which included working with FM Saud Al-Faisal to develop MEP principles-- was cause for optimism. Further, polls indicated that a majority of Israelis wanted some sort of settlement. Looking relieved, Torki said that "the media is sometimes misleading," but the people of the region still held out hope. They recognized that painful decisions would have to be made. The longer the conflict dragged on, the more room extremists --such as Iran and Hamas-- had to exploit.

ISOLATE SYRIA, STRENGTHEN IRAN

¶4. (C) Abruptly, Torki said that it was essential for Syria to be brought into the peace process. "Isolating Syria will only benefit Iran," Torki insisted, adding that Syria faced numerous internal problems that could be exploited to lure them back into the Arab fold. "They (the Syrians) felt humiliated when they had to leave Lebanon," Torki explained, "but thanks to the King's visit (Ref B) this has been solved." Now, a major Syrian grievance was that they had been excluded from MEP discussions. "Only Turkey has tried to bring them in," he observed. Reaching out to Syria could both neutralize Syria's urge to play the spoiler and help contain the Iranian threat.

¶5. (C) Ambassador noted the considerable shift Saudi policy towards Syria had made in just a few months. "Things have changed," Torki agreed, "we are reaching out and strengthening our bilateral ties, but we need others to be part of this." When asked whether it was the right time to reach out to Syria given that they remained so close to Iran, Torki countered, "how else can we reduce Iran's influence?" The Syrians benefited economically, militarily, and strategically from their alliance with Iran, and it was unrealistic to expect them to abandon this comfortable relationship without providing anything concrete in return. "We --along with the U.S. and Europe-- are in a position to help them," Torki continued. "They will only renounce the special relationship if we show them we can compete with what Iran has to offer." Iran was the greatest challenge the region was facing, he concluded, and reaching out to Syria was a critical way of "squeezing Iranian influence."

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RAPPROCHEMEINT HAS HIT ITS STRIDE

¶6. (C) After a series of fits and starts, Saudi-Syrian rapprochement appears to have finally hit its stride. A scant two weeks after Bashar Al-Asad's surprise visit to Jeddah for the KAUST University inauguration on September 23 (Ref D), King Abdullah made his long-promised trip to Damascus (Ref B). During the visit, the pair agreed to support Hariri's attempts to form a unity government in Lebanon, which ultimately came to pass in mid-November. Soon afterwards, Hariri made official visits to both Saudi Arabia and Damascus. This suggests that Syria's behavior vis-a-vis Lebanon --at least for the time being-- has met Saudi expectations.

¶7. (C) The Saudis have also conditioned improvements in the bilateral relationship on Syria's willingness to exert pressure on both Hezbollah and Hamas. The Goldstone Report controversy, combined with Fatah's internal issues, have created a context where even the most well-intentioned Syria would find it difficult to deliver Hamas. As such, the Saudis appear to be giving Syria a temporary "pass" on this issue. Hezbollah, however, appears to be moderating its rhetoric (Ref F). What, if any, influence Syria had over this decision is unclear, but the Saudis are surely heartened by what they see.

¶8. (U) While politics have dominated the news about the Saudi-Syrian thaw, economics have dominated the agenda. During the King's visit to Damascus, the two countries agreed to promote trade and investment ties. The Finance Ministers signed an agreement to avoid double taxation and prevent tax evasion, the main goal of which was to encourage more Saudi-Syrian joint business ventures. They also agreed to study the issue of fees imposed on Saudi and Syrian trucks delivering goods to or passing through one another's

countries; explored prospects of cooperation in the banking and insurance sectors, including establishment of a Saudi-Syrian bank and a joint insurance firm in Syria; and agreed to remove taxes placed on Syrian products destined for export to Saudi Arabia such as olive oil and ceramics. They also announced their intention to hold the Saudi-Syrian business forum in Damascus during the first quarter of 2010. Progress to date on these initiatives will be reported septel.

COMMENT

¶19. (C) The Saudis first explained their "new" Syria strategy to us in June (Ref XX). While slow to get off the ground, progress since the King's visit has been swift. Torki's most recent comments show that fear of Iran remains the driving factor behind most Saudi foreign policy decisions, and that Saudi-Syrian rapprochement has become a key pillar of their long-term strategy to combat this threat. The Saudis have made it clear that they --like us-- have conditioned improved relations on improved behavior. To date, they appear to be satisfied with Syria's performance.

¶10. (C) COMMENT CONTINUED: Torki's animated discussion of the need to include Syria in MEP discussions came largely unsolicited, and he appeared intent on sending a message that now was an opportune time for the U.S. and others to increase our engagement with Syria. That this conversation coincided with a similar one that took place in the UAE (Ref A) is likely not a coincidence, and suggests the GCC countries have concluded that the time is right to reach out to Syria. Continued dialogue with the Saudis about what they are offering to Syria --and how Syria is responding-- may help us to identify target areas for our own increased engagement.
END COMMENT.

SMITH